

**CHILD ADVOCACY SERVICES, INC.**

**FINANCIAL STATEMENTS  
AND  
AUDITOR'S REPORT**

**DECEMBER 31, 2013**

**CHILD ADVOCACY SERVICES, INC.**

**TABLE OF CONTENTS**

	<b>PAGE</b>
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF ACTIVITIES	6
STATEMENT OF FUNCTIONAL EXPENSES	7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9
SUPPLEMENTAL INFORMATION	
STATEMENT OF ACTIVITIES BY PROGRAM	16
STATEMENT OF ACTIVITIES – LOUISIANA SUPREME COURT TANF PROGRAM	17
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	18
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	19
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	23

# Justin J. Scanlan, C.P.A., F.T.C.

A LIMITED LIABILITY COMPANY

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Child Advocacy Services, Inc.

We have audited the accompanying financial statements of Child Advocacy Services, Inc. (a non-profit corporation), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Child Advocacy Services, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Comparative Information

We have previously audited Child Advocacy Services, Inc.'s financial statements, and our report dated February 13, 2013, expressed an unmodified opinion on those audited financial statements. In their opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respect, with the audited financial statements from which it has been derived.

## Other Matters Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules listed in the table of contents are presented for the purpose of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2014, on our consideration of Child Advocacy Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Justin J. Scanlon, CPA, LLC*

New Orleans, Louisiana  
February 10, 2014

**CHILD ADVOCACY SERVICES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2013**

**SUMMARIZED  
COMPARATIVE  
INFORMATION  
DECEMBER 31, 2012**

<b>ASSETS</b>		
Cash	\$ 302,979	\$ 258,654
Certificates of deposit	169,548	168,014
Receivables (Notes A4 and B)		
Grants	122,938	131,648
Other	<u>12,925</u>	<u>6,658</u>
	<u>135,863</u>	<u>138,306</u>
Property, building and equipment - at cost (Notes A5 and C)	<u>71,928</u>	<u>76,609</u>
Total assets	<u>\$ 680,318</u>	<u>\$ 641,583</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued liabilities	\$ <u>1,715</u>	\$ <u>10,927</u>
Total liabilities	\$ <u>1,715</u>	\$ <u>10,927</u>
Commitment (Note D)	-	-
Net assets		
Unrestricted	678,603	625,075
Temporarily restricted	<u>-</u>	<u>5,581</u>
Total net assets	<u>678,603</u>	<u>630,656</u>
Total liabilities and net assets	<u>\$ 680,318</u>	<u>\$ 641,583</u>

The accompanying notes are an integral part of this financial statement.

**CHILD ADVOCACY SERVICES, INC.  
STATEMENT OF ACTIVITIES**

For the year ended December 31, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>SUMMARIZED COMPARATIVE INFORMATION For the year ended December 31, 2012</u>
<b>REVENUE</b>				
United Way	\$ -	\$ 174,537	\$ 174,537	\$ 170,000
Grant appropriations				
Governmental (Note E)	-	1,063,250	1,063,250	1,066,637
Other	-	30,820	30,820	20,000
Special events, net of direct expense of \$11,494	101,167		101,167	103,546
Other	52,426	-	52,426	57,293
Contributions	48,931	-	48,931	55,327
Net assets released from restrictions	<u>1,274,188</u>	<u>&lt; 1,274,188 &gt;</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,476,712</u>	<u>&lt; 5,581 &gt;</u>	<u>1,471,131</u>	<u>1,472,803</u>
<b>EXPENSES</b>				
Program services				
Court appointed special advocate	878,902	-	878,902	850,531
Children's advocacy center	<u>402,673</u>	<u>-</u>	<u>402,673</u>	<u>437,513</u>
	<u>1,281,575</u>	<u>-</u>	<u>1,281,575</u>	<u>1,288,044</u>
Supportive services				
Management and general	122,896	-	122,896	93,809
Fund raising	<u>18,713</u>	<u>-</u>	<u>18,713</u>	<u>17,161</u>
	<u>141,609</u>	<u>-</u>	<u>141,609</u>	<u>110,970</u>
Total expenses	<u>1,423,184</u>	<u>-</u>	<u>141,609</u>	<u>1,399,014</u>
Increase <decrease> in net assets	53,528	< 5,581 >	47,947	73,789
Net assets, beginning of year	<u>625,075</u>	<u>5,581</u>	<u>630,656</u>	<u>556,867</u>
Net assets, end of year	<u>\$ 678,603</u>	<u>\$ -</u>	<u>\$ 678,603</u>	<u>\$ 630,656</u>

The accompanying notes are an integral part of this financial statement.

# CHILD ADVOCACY SERVICES, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2013

	PROGRAM SERVICES			SUPPORTIVE SERVICES		SUMMARIZED COMPARATIVE INFORMATION
	COURT APPOINTED SPECIAL ADVOCATE	CHILDREN'S ADVOCACY CENTER	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL	FOR THE YEAR ENDED DECEMBER 31, 2012
Salaries	\$ 555,460	\$ 247,216	\$ 83,719	\$ 11,337	\$ 897,732	\$ 893,080
Fringe benefits	126,722	65,544	14,635	2,608	209,509	205,373
Occupancy	68,175	32,975	11,239	-	112,389	109,318
Travel	33,957	15,865	745	-	50,567	47,947
Supplies	17,103	13,437	1,073	-	31,613	31,598
Printing	3,547	5,472	696	-	9,715	12,546
Board generated self-support	-	-	-	4,768	4,768	3,220
Training	24,346	-	-	-	24,346	9,251
Other program expenses	49,592	22,164	10,789	-	82,545	86,681
Total expenses	\$ 878,902	\$ 402,673	\$ 122,896	\$ 18,713	\$ 1,423,184	\$ 1,399,014

The accompanying notes are an integral part of this financial statement.

**CHILD ADVOCACY SERVICES, INC.**

**STATEMENT OF CASH FLOWS**

**For the year ended December 31, 2013**

**SUMMARIZED  
COMPARATIVE  
INFORMATION  
For the year ended  
December 31, 2012**

**Cash flows from operating activities:**

Increase <decrease> in net assets	\$ 47,947	\$ 73,789
Adjustments to reconcile increase <decrease> in net assets to net cash provided by <used in> operating activities:		
Depreciation	4,681	4,681
Changes in assets and liabilities:		
<Increase> decrease in grants receivable	8,710	1,693
<Increase> decrease in other receivables	< 6,267>	< 6,658>
Increase <decrease> in accounts payable and accrued liabilities	< 9,212>	10,927
Net cash provided by <used in> operating activities	<u>45,859</u>	<u>84,432</u>
Cash flows from investing activities:		
Purchase of certificates of deposit	< 1,534>	< 125,086>
Liquidation of certificates of deposit	<u>-</u>	<u>157,742</u>
Net cash provided by <used in> investing activities	<u>&lt; 1,534&gt;</u>	<u>32,656</u>
Increase <decrease> in cash and cash equivalents	44,325	117,088
Cash and cash equivalents, beginning of year	<u>258,654</u>	<u>141,566</u>
Cash and cash equivalents, end of year	<u>\$ 302,979</u>	<u>\$ 258,654</u>

The accompanying notes are an integral part of this financial statement.



**CHILD ADVOCACY SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**1. Nature of Activities**

Child Advocacy Services, Inc. was organized to give voice, healing and security to children in Louisiana, primarily in the Florida parishes region.

**2. Financial Statement Presentation**

The corporation's financial statements are presented in accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth under FASB ASC 958. Accordingly, the net assets of the corporation are classified to present the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets.

The net assets and changes therein are classified as follows:

**Unrestricted Net Assets** - Contributions and other revenue and expenses for the general operation of its programs.

**Temporarily Restricted Net Assets** - Contributions and other revenues specifically authorized by the donor or grantor to be used for specific purposes.

**Permanently Restricted Net Assets** - Contributions subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Corporation pursuant to those stipulations. There were no permanently restricted net assets.

**3. Revenue Recognition**

Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions".

Grant revenue is recognized as it is earned in accordance with approved contracts.

**4. Receivables**

The corporation considers accounts receivable to be fully collectible since the balance consists principally of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

**CHILD ADVOCACY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2013**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**5. Property, Building and Equipment**

Child Advocacy Services, Inc. records property acquisitions at cost. Donated assets are recorded at estimated value at date of donation.

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on the straight-line method. Depreciation expense for the year ended December 31, 2013 totaled \$4,681.

It is the policy of the corporation to capitalize all property, furniture, and equipment with an acquisition cost in excess of \$5,000.

**6. Cash equivalents**

For purposes of the statement of cash flows, the corporation considers all investments with original maturities of three months or less to be cash equivalents.

**7. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**8. Fair Values of Financial Instruments**

Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those investments.

**9. Functional Allocation of Expense**

The expenses of providing the program and other activities have been summarized on a functional basis in the statement of functional expenses. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

**10. Subsequent Events**

The subsequent events of the organization were evaluated through the date the financial statements were available to be issued (February 10, 2014).

**11. Summarized Comparative Information**

Summarized comparative information are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**CHILD ADVOCACY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2013**

**NOTE B - GRANTS RECEIVABLE**

The grants receivable consist of the following as of December 31, 2013:

Louisiana Commission on Law Enforcement and Administration of Criminal Justice	\$ 49,605
State of Louisiana – Department of Children and Family Services	9,083
Louisiana Supreme Court	<u>64,250</u>
	<u>\$ 122,938</u>

**NOTE C – PROPERTY, BUILDING AND EQUIPMENT**

Property, building and equipment at December 31, 2013 consists of the following:

Building and improvements	\$ 86,758
Equipment	<u>7,979</u>
	94,737
Less accumulated depreciation	<u>&lt; 52,809 &gt;</u>
	41,928
Land	<u>30,000</u>
	<u>\$ 71,928</u>

**NOTE D - COMMITMENT**

The corporation leases office space for its administrative office in Hammond and five branch locations in Denham Springs, Laplace, St. Francisville, Napoleonville, and Gonzales under noncancelleble agreements accounted for as operating leases. The Gonzales lease expires December 31, 2013. The Napoleonville lease expires May 31, 2015. The Hammond and St. Francisville leases expire October 31, 2015. The Denham Springs and LaPlace leases expire December 31, 2014.

Future minimum lease payments are as follows:

<b><u>December 31,</u></b>	
2014	\$ 50,700
2015	<u>16,250</u>
	<u>\$ 66,950</u>

The rental expense for the year ended December 31, 2013 totaled \$59,900.

**CHILD ADVOCACY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2013**

**NOTE E - SUMMARY OF FUNDING**

Child Advocacy Services, Inc.'s funding for grants consist of the following:

<u>Grants</u>	<u>Periods</u>	<u>Grant Award</u>	<u>Revenue Recognized</u>
<b><u>Governmental</u></b>			
State of Louisiana – Department of Children and Family Services:			
Children's Trust Fund	7/1/13-6/30/14	\$ 54,500	\$ 27,250
	7/1/12-6/30/13	59,500	31,000
Children's Justice Act	9/1/12-12/31/13	5,000	1,721
State of Louisiana – Supreme Court	7/1/12-6/30/13	804,472	410,862
	7/1/13-6/30/14	796,126	398,236
City of Hammond	1/1/13-12/31/13	10,000	10,000
Children's Advocacy Centers of Louisiana	1/1/13-12/31/13	9,000	9,000
Louisiana Foundation Against Sexual Assault, Inc.	4/1/12-3/31/13	4,298	4,298
Louisiana Commission on Law Enforcement and Administration of Criminal Justice	1/1/13-12/31/13	59,467	59,467
	1/1/13-12/31/13	14,247	14,247
	6/1/12-5/31/13	50,000	11,839
	10/1/13-12/31/14	40,142	9,227
	1/1/13-12/31/13	59,639	28,155
	10/1/12-9/30/13	32,597	23,948
West Feliciana Parish Police Jury	1/1/13-12/31/13	24,000	<u>24,000</u>
Total governmental grants			<u>\$ 1,063,250</u>

**CHILD ADVOCACY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2013**

**NOTE F – RETIREMENT ARRANGEMENT**

The Child Advocacy Services, Inc. sponsors a deferred compensation plan covering all employees earning over \$5,000 and elect to defer a portion of their salary. The corporation will match 3% of the deferred compensation. The contribution rate remains unchanged from the prior year. The retirement expense for the year ended December 31, 2013 totaled \$9,935.

**NOTE G - INCOME TAXES**

The Corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

Child Advocacy Services, Inc. has adopted the provisions of FASB ASC 740-10-25, which requires a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. Child Advocacy Services, Inc. does not believe its financial statements include any uncertain tax positions. Child Advocacy Services, Inc.'s tax returns for 2011 and 2012 remain open and subject to examination by taxing authorities. Child Advocacy Services, Inc.'s tax return for 2013 has not been filed as of the report date.

**NOTE H – FAIR VALUE MEASUREMENT**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 820-10 requires disclosure of the estimated fair value of certain financial instruments and the methods and significant assumptions used to estimate their fair value. Financial instruments within the scope of FASB ASC 820-10 are included in the table below.

<u>Fair Value Measurement of Reporting Date</u>				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	\$ 169,548	\$ 169,548	\$ -	\$ -

The assumptions to estimate fair values are as follows:

1. Certificates of deposit carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of the instruments.

The fair value of cash and cash equivalents, accounts payable and accrued liabilities approximate book value at December 31, 2013 due to the short-term nature of these accounts.

**CHILD ADVOCACY SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**December 31, 2013**

**NOTE I - - BOARD OF DIRECTORS COMPENSATION**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

**NOTE J – ECONOMIC DEPENDENCY**

Child Advocacy Services, Inc. received the majority of its revenue from funds provided through grants administered by the State of Louisiana. The grant amounts are appropriated each year by the federal and state government. If significant budget cuts are made at the federal and/or state level, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

The corporation's support through government grants totaled 72% for the year ended December 31, 2013.

## **SUPPLEMENTAL INFORMATION**

**CHILD ADVOCACY SERVICES, INC.**  
**STATEMENT OF ACTIVITIES BY PROGRAM**  
**For the year ended December 31, 2013**

	<u>COURT APPOINTED SPECIAL ADVOCATE</u>	<u>CHILDREN'S ADVOCACY CENTER</u>	<u>TOTAL</u>
<b>REVENUE</b>			
Direct program revenue:			
Grant appropriations	\$ 890,602	\$ 203,468	\$ 1,094,070
Total direct program revenues	890,602	203,468	1,094,070
Unrestricted revenue	<u>125,639</u>	<u>76,885</u>	<u>202,524</u>
Total self-generated revenue	1,016,241	280,353	1,296,594
United Way	<u>36,280</u>	<u>138,257</u>	<u>174,537</u>
Total revenue	<u>1,052,521</u>	<u>418,610</u>	<u>1,471,131</u>
<b>EXPENSES</b>			
Salaries	555,460	247,216	802,676
Fringe benefits	126,722	65,544	192,266
Occupancy	68,175	32,975	101,150
Travel	33,957	15,865	49,822
Supplies	17,103	13,437	30,540
Printing	3,547	5,472	9,019
Training	24,346	-	24,346
Other program expenses	<u>49,592</u>	<u>22,164</u>	<u>71,756</u>
Total direct program expenses	878,902	402,673	1,281,575
Support service expenses	<u>97,710</u>	<u>43,899</u>	<u>141,609</u>
Total expenses	<u>976,612</u>	<u>446,572</u>	<u>1,423,184</u>
<b>INCREASE &lt;DECREASE&gt; IN NET ASSETS</b>	<u>\$ 75,909</u>	<u>\$ &lt; 27,962 &gt;</u>	<u>\$ 47,947</u>



**CHILD ADVOCACY SERVICES, INC.**

**STATEMENT OF ACTIVITIES - LOUISIANA  
SUPREME COURT TANF PROGRAM**

**For the year ended December 31, 2013**

	<b>For the period January 1, 2013 through <u>June 30, 2013</u></b>	<b>For the period July 1, 2013 through <u>December 31, 2013</u></b>	<b><u>Total</u></b>
<b>REVENUE</b>			
Grant appropriations	\$ 410,862	\$ 398,235	\$ 809,097
Total revenue	<u>410,862</u>	<u>398,235</u>	<u>809,097</u>
 <b>EXPENSES</b>			
Salaries	254,002	250,097	504,099
Fringe benefits	57,284	61,222	118,506
Professional services	5,135	650	5,785
Occupancy expense	32,330	39,310	71,640
Travel	16,088	13,882	29,970
Training	16,810	7,013	23,823
Supplies	11,059	4,036	15,095
Equipment	2,806	411	3,217
Printing/copying	2,719	748	3,467
Other program expense	<u>12,629</u>	<u>20,866</u>	<u>33,495</u>
Total expenses	<u>410,862</u>	<u>398,235</u>	<u>809,097</u>
 Increase <decrease> in net assets	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**CHILD ADVOCACY SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the year ended December 31, 2013**

	<b><u>PASS-THROUGH GRANTOR CONTRACT NO.</u></b>	<b><u>FEDERAL CFDA NUMBER</u></b>	<b><u>TOTAL FEDERAL EXPENDITURES</u></b>
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Funds passed through State of Louisiana –			
Supreme Court:			
TANF Program	-	93.558	\$ 809,098
Department of Children and Family Services:			
Children's Justice Act Grants to States	717492	93.643	1,721
Community Based Family Resource Support Grant	718626	93.590	31,000
Community Based Family Resource Support Grant	725223	93.590	<u>27,250</u>
<b>Total U. S. Department of Health and Human Services</b>			<u><b>869,069</b></u>
<b>U. S. DEPARTMENT OF JUSTICE</b>			
Funds passed through Louisiana Commission on Law Enforcement			
and Administration of Criminal Justice:			
CASA Program	C12-5-010	16.575	23,949
CASA Program	1622	16.575	9,227
Child Advocacy Program	C11-8-009	16.575	11,839
Child Advocacy Program	C12-5-011	16.575	59,467
Child Abuse Counseling Program	C12-7-010	16.575	14,247
Child Advocacy Program	1413	16.575	28,155
Funds passed through the Children's Advocacy Centers			
of Louisiana:			
Child Abuse Program	-	16.543	9,000
Funds passed through Louisiana Foundation Against Sexual			
Assault, Inc.:			
Sexual Assault Program	-	16.017	<u>4,928</u>
<b>Total U. S. Department of Justice</b>			<u><b>160,812</b></u>
<b>TOTAL FEDERAL AWARDS</b>			<u><b>\$ 1,029,881</b></u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**A. Presentation of Financial Statements**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded, for financial reporting purposes, when Child Advocacy Services, Inc. has met the cost of reimbursement or funding qualifications for the respective grants.

**B. Non-federal Contributions**

The non-federal contribution relating to programs funded by the Louisiana Commission on Law Enforcement and Administrators of Criminal Justice for the year ended December 31, 2013 totaled \$36,722.

# Justin J. Scanlan, C.P.A., T.T.C.

A LIMITED LIABILITY COMPANY

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

### Independent Auditor's Report

Board of Directors  
Child Advocacy Services, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Child Advocacy Services, Inc. (non-profit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2014.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Child Advocacy Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Child Advocacy Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Child Advocacy Services, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance, or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Justin J. Scanlon, CPA, LLC*

New Orleans, Louisiana  
February 10, 2014

# Justin J. Scanlan, C.P.A., T.T.C.

A LIMITED LIABILITY COMPANY

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

### Independent Auditor's Report

Board of Directors  
Child Advocacy Services, Inc.

#### **Report on Compliance for Each Major Federal Program**

We have audited Child Advocacy Services, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Child Advocacy Services, Inc.'s major federal programs for the year ended December 31, 2013. Child Advocacy Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Child Advocacy Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 required that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Child Advocacy Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Child Advocacy Services, Inc.'s compliance.

## Opinion on Each Major Federal Program

In our opinion, Child Advocacy Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

## Report on Internal Control Over Compliance

Management of Child Advocacy Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Child Advocacy Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate to the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Child Advocacy Services, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Justin J. Scanlon, CPA, LLC*

New Orleans, Louisiana  
February 10, 2014

CHILD ADVOCACY SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2013

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued.

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?     yes   X  no
- Significant deficiency(ies) identified?     yes   X  none reported
- Noncompliance material to financial statements noted?     yes   X  no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?     yes   X  no
- Significant deficiency(ies) identified?     yes   X  none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with Section 510(a) of OMB Circular A-133?     yes   X  no

Identification of major programs:

CFDA Number

93.558

Name of Federal  
Program or Cluster

U. S. Department of Health and  
Human Services:  
Passed through State of Louisiana  
Supreme Court:  
TANF Program

Dollar threshold used to distinguish between type A and B  
programs:

\$300,000

Auditee qualified as low-risk auditee?

  X  yes     no

**CHILD ADVOCACY SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

**For the year ended December 31, 2013**

**B. FINANCIAL STATEMENT FINDINGS**

There were no findings related to the financial statements for the yearended December 31, 2013.

**C. FINANCIAL AWARD FINDINGS AND QUESTIONED COSTS**

There were no items identified in the course of our testing during the current year required to be reported.

**D. STATUS OF PRIOR YEAR AUDIT FINDINGS**

There were no prior year audit findings.